



BILLING CODE: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

12 CFR Parts 1239 and 1273

RIN 2590-AA90

Responsibilities of Boards of Directors, Corporate Practices, and Corporate Governance

AGENCY: Federal Housing Finance Agency.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Agency (FHFA) is amending its regulation on the Responsibilities of Boards of Directors, Corporate Practices, and Corporate Governance for its regulated entities. The final rule amends the existing regulation pertaining to Federal Home Loan Bank strategic business plans so that it applies as well to the Enterprises, and makes a number of adjustments and conforming changes to the existing regulation. As amended, the regulation requires that the board of directors of each regulated entity have in effect at all times a strategic business plan that describes its strategy for achieving its mission and public purposes. It extends to the Enterprise boards the existing provision requiring the board of each Federal Home Loan Bank to review the strategic business plan at least annually, re-adopt it at least once every three years, and establish reporting requirements for and monitor implementation of the strategic business plan. The final rule adds a new provision regarding current and emerging risks, repeals two outdated provisions of the existing regulation, and makes a conforming change to the Office of Finance Board of Directors regulation.

DATES: The final rule is effective on **[INSERT DATE 60 DAYS AFTER DATE OF**

PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

I. Background

On April 6, 2018, FHFA published a proposed rule that would amend the existing FHFA regulation on Responsibilities of Boards of Directors, Corporate Practices and Corporate Governance Matters. The proposed rule would amend, and extend to apply to the board of directors of each Enterprise, the existing provision requiring the board of directors for each Federal Home Loan Bank to have in effect at all times a strategic business plan for the entity. It would also require the strategic business plan to: (1) articulate measurable operating goals; (2) address credit needs identified through ongoing market research and stakeholder consultations; (3) describe significant activities being planned, including any changes to business strategy; (4) be supported by appropriate and timely research; and (5) identify current and emerging risks, including those associated with the entity's existing activities or new activities. It would also require a board to review the strategic business plan at least annually, re-adopt it at least once every three

years, and establish reporting requirements for and monitor implementation of the strategic business plan.

The proposed rule would also repeal two outdated provisions, and make a conforming change to the Office of Finance Board of Directors regulation.

II. Summary of Comments and FHFA Responses

FHFA received comments on the proposed rule from Fannie Mae and Freddie Mac (Enterprises) and U.S. Mortgage Insurers (USMI), a trade association comprising various private mortgage insurance companies. The commenters generally agreed with the establishment of a regulatory requirement for a strategic business plan. Two commenters also argued that a regulated board should be permitted to articulate goals, strategies, and risks at a high level, rather than with granular specificity. Other comments included one concerning the effect that the new activities process and conservatorship have on the strategic business plan process.

The comments are summarized below, along with FHFA's responses and discussion of changes, if any, to the final rule text in consideration of the comments.

A. Commenters agreed on a requirement for a board-approved strategic business plan

The commenters agreed generally with the establishment of a regulatory requirement for a board-approved strategic business plan. The commenters also generally agreed that a strategic business plan should have measurable goals and objectives to hold management accountable.

B. Appropriate balance between high-level view and granular detail (§ 1239.14(a) (opening provision); § 1239.14(a)(1)(i) and (ii); § 1239.14(a)(3); and § 1239.14(a)(5))

Commenters differed on the appropriate balance between board flexibility to plan from a high-level perspective and at a more detailed level. Two commenters proposed modifying the final rule to permit a board to articulate goals and strategies at a high level, while one commenter supported requirements on the level of individual activities.

The commenters offered specific suggestions to revise the language of the regulation to permit high-level discussion. With respect to proposed § 1239.14(a)(1)(ii), FHFA received suggestions for the plan to articulate goals and objectives for “strategic activities,” not “for each significant activity and all authorized new activities” as proposed. Another commenter suggested that goals and objectives be articulated for “significant business strategy.”

For proposed § 1239.14(a)(3), one commenter suggested that the requirement should be that the plan describe “significant strategic activities” while another suggested “strategies.” Commenters suggested that the final regulation exclude from strategic planning changes in business strategy not determined “significant.”

For proposed § 1239.14(a)(5), commenters suggested excluding less-than-significant risks from being required to be addressed in the strategic business plan. One commenter suggested that the strategic business plan address significant risks associated with significant activities. Another similarly suggested that the rule should not require a strategic business plan to address risks, including significant risks, associated with activities that a board does not determine to be significant.

One commenter expressed concern that requiring the plan to address specific activities could be unworkable due to high numbers of Enterprise activities.

In contrast, another commenter supported strategic planning requirements for individual activities, and questioned a threshold prescribing planning only for “significant” activities, because the metric for “significance” remains too broad, and potentially excludes too much from board scrutiny or oversight. This commenter expressed that strategic planning for individual activities and authorized new activities would facilitate a board’s monitoring and review of individual activities and market footprint. The same commenter also suggested the rule apply metrics such as stress testing to Enterprise activities to assess their risks.

FHFA Response:

A strategic business plan articulates a regulated entity’s long-term vision, and aligns it with the entity’s risk management framework, statutory mission, and public purposes. A strategic business plan also articulates a regulated entity’s roadmap for achieving its goals.

The management of a regulated entity shall be “by or under the direction” of its board of directors, and the board has “ultimate responsibility” of oversight over the entity, which responsibility may not be delegated to management.¹ FHFA recognizes that requirements that are too specific may in some instances involve the board unnecessarily in operational details that it could have otherwise determined to delegate in the absence of such requirements. FHFA also recognizes that granular requirements could mean unwieldy numbers of activities for a strategic business plan to address. Given the interest in avoiding board distraction in its strategic planning by unnecessary or unhelpful operational details, FHFA declines to modify the rule to require strategic goals to be

¹ See 12 CFR 1239.4(a).

articulated at the level of every existing activity or authorized new activity, regardless of the activity's significance.

On the other hand, requirements that are too high-level may not provide a board with a sufficient view of the risks of the goals and of strategies deployed to achieve those goals. To support board planning at a meaningful level of involvement, FHFA also declines to modify the rule to permit strategic goals to be articulated at the highest level of generality. FHFA seeks an appropriate balance in the final rule, necessary to support a board's efforts in setting strategic goals, determining a safe and sound strategy to meet those goals, and overseeing execution. The final rule uses a threshold of "significant" activities.²

A threshold of "significant" activities would avoid requiring a board to engage with activities that the board does not determine are significant. The rule does not require a board to perform, by itself, every task necessary to determine those activities that are significant. Instead, subject to its duties, a board may set parameters for senior management to apply in identifying activities that the board considers to be significant activities. These parameters could relate to the risks posed by an activity, including

² This approach is consistent with the standards of other regulators of large financial institutions cited by Freddie Mac. *See, e.g.*, 12 CFR part 30, appendix D, III.B. (OCC) ("A covered bank's board of directors should actively oversee the covered bank's risk-taking activities and hold management accountable for adhering to the risk governance framework"); Federal Reserve Board, Consolidated Supervision Framework for Large Financial Institutions (July 2014), 2124.05.3.2 (each firm's board of directors should "maintain a clearly articulated corporate strategy and institutional risk appetite. The board should set direction and oversight for revenue and profit generation, risk management and control functions, and other areas essential to sustaining the consolidated organization ...").

Similarly, the Federal Reserve Board's recent proposed supervisory guidance cited by Freddie Mac provides that a "clear strategy includes sufficient detail to enable senior management to identify the firm's strategic objectives; [and] to create an effective management structure, implementation strategies, plans and budgets for each business line". 82 FR 37219, 37224 (Aug. 9, 2017). The Federal Reserve Board's proposed guidance thus provides that a strategic plan is expected to communicate to senior management the board's priorities, objectives, and strategies in sufficient detail for senior management to allocate resources appropriately to each business line.

whether the activity contributes to or deviates from the entity's strategic goals, statutory mission, and public purposes. They could also relate to any increased scaling of the activity, either planned or in execution.

The final rule does not require specific metrics to address expansion or contraction of activities in response to the entity's mission, public purposes and market assessment. Subject to its duties under applicable law in the absence of specific regulatory requirements, a board will determine, or oversee the determination of, any such appropriate metrics.

The final rule in the opening provision of § 1239.14(a), which establishes a general requirement for a strategic business plan, is revised to require a strategic business plan to describe how the "significant" business activities of the regulated entity will achieve a regulated entity's mission and public purposes. Though FHFA did not receive specific comments to the proposed opening provision of § 1239.14(a), FHFA made the final rule revision to the opening provision based on comments it received on this issue.

The final rule is also revised at § 1239.14(a)(1)(i) and (ii) to state that a board's strategic business plan shall articulate measurable goals and objectives. Also, the proposed reference to "operating" is deleted so that a plan is not required, or limited, to articulate "operating" goals and objectives. Section 1239.14(a)(1)(ii) is revised to clarify that a plan articulate measurable goals and objectives also for "significant" authorized new activities. As a result of this revision, a plan would not be required to address authorized new activities that are not determined to be significant activities. A parallel change was not made to § 1239(a)(1)(i), the provision applying to the Banks. The FHFA regulation covering new business activities process for the Banks already contains a

determination that the activity “entails material risks...” 12 CFR 1272.1. If FHFA were to amend the regulations regarding Enterprise new activities and new products to include a threshold equivalent to the “significant” activities threshold used in the final rule, FHFA may consider taking a similar approach for the Enterprises in § 1239.14(a)(1)(ii) that it does for the Banks in § 1239.14(a)(1)(i).

At § 1239.14(a)(3), the revised final rule requires a plan to describe any “significant” changes to business strategy that are planned, and not just any change to business strategy. As a result of this revision, a board is not required to address changes to business strategy that the entity is planning to undertake that it does not determine to be significant.

At § 1239.14(a)(5), the revised final rule requires a strategic business plan to identify current and emerging risks associated with the regulated entity’s “significant” activities, existing or new. The revised final rule also requires that a plan discuss how the entity intends to address such risks, *i.e.*, those risks associated with the entity’s significant activities, while furthering its public purposes and mission in a safe and sound manner. The final rule does not require the board to address risks associated with activities that have not been determined to be significant.

C. Differences in roles between board and management (§ 1239.14(a)(2); § 1239.14(a)(4)(ii))

FHFA received comments that the proposed rule would impose on the board duties more appropriate for management, and that the final rule should preserve the distinct division of roles between board and management.

The comments arose in the context of the proposed requirements that the strategic business plan discuss credit needs and opportunities identified through market research and stakeholder consultation, and be supported by appropriate and timely research and analysis of relevant market developments. Specific comments suggested that any research and analysis supporting the strategic business plan be as Enterprise management deems appropriate.

FHFA Response:

The management of a regulated entity shall be “by or under the direction” of its board of directors, and the board has “ultimate responsibility” of oversight over the entity, which responsibility may not be delegated to management.³ Except for a board’s ultimate responsibility for oversight of the regulated entity, the board has authority to delegate responsibilities to management and to determine the scope of responsibilities delegated to management.

The proposed rule at § 1239.14(a)(2) does not affect a board’s authority, require the board to conduct market research and stakeholder consultations, or prescribe the manner in which such research and consultation must be conducted. The proposed rule does not prohibit a board from delegating market research and stakeholder consultations, consistent with the board’s duties. The final rule adopts § 1239.14(a)(2) as proposed.

Similarly, the proposed rule at § 1239.14(a)(4)(ii) does not require the board to conduct research and analysis of market developments, or prescribe the type of research and analysis. The proposed rule does not affect the board’s authority to determine what research and analysis is appropriate to support the plan. Nor does the proposed rule

³ See 12 CFR 1239.4(a).

affect the board's authority to assign research to senior management, while overseeing that it is done to the board's satisfaction.

In addition, while Fannie Mae objected to the reference to timely research in § 1239.14(a)(4)(ii), the purpose of that reference is to specify that the supporting research be suitably timed for the plan, and that the research is not stale or expired.

The final rule adopts § 1239.14(a)(4)(ii) as proposed.

D. Comment Suggested Principles-based Approach due to Differences between the Banks and the Enterprises

FHFA received a comment that the minimum requirements for a strategic business plan adapted from existing requirements applying to the Federal Home Loan Banks are not appropriate for the Enterprises. Specifically, the commenter asserted that, unlike the Banks, the Enterprises are SEC-registered, publicly-traded, and operating under New York Stock Exchange requirements. The commenter further noted that the Enterprises are larger than the Banks and securitize mortgages as their core business model.

FHFA Response:

The commenter's point in noting these differences is that the final rule should take a principles-based approach, not a prescriptive approach. The final rule does not prescribe board functions, such as engaging in market research. The revised final rule also does not prohibit the board from delegating functions, other than its ultimate oversight function, to senior management. In fact, the operative requirement in the revised final rule, which is unchanged from the proposed rule, is for a board to "adopt and have in effect at all times a strategic business plan for the regulated entity." The differences noted by the commenter do not adversely affect the Enterprises. The differences also do

not diminish the traditional role that a board plays in setting strategic goals for the entity, and holding management responsible for executing on the plan.

E. The final rule requirements do not apply to diversity and inclusion strategic plans

FHFA received a comment that the final rule should not apply to diversity and inclusion strategic plans, which are addressed specifically by 12 CFR 1223.21(b), (d), and (e).

FHFA Response:

FHFA agrees that the diversity and inclusion strategic plans are subject to separate regulatory requirements. Therefore, this final rule does not apply to such plans. Moreover, the final rule does not prohibit a regulated entity from incorporating its diversity and inclusion strategic plan into its strategic business plan, which is expressly permitted under 12 CFR 1223.21(b)(8).

F. Strategic business plan to address current and emerging risks (§ 1239.14(a)(5))

The commenters also differed on whether the strategic business plan should address current and emerging risks. With respect to proposed § 1239.14(a)(5), FHFA received a comment that, while current risks may be ascertainable, emerging risks may not be knowable at the outset of a multi-year strategic planning process. Another commenter expressed support for a requirement that the strategic business plan address current and emerging risks.

FHFA Response:

FHFA acknowledges that while it may be challenging for the board to ascertain emerging risks associated with significant activities at the outset of a multi-year strategic planning process, it should not preclude a board from exercising its duty of care to plan

for such risks. A board's goals in strategic planning includes assessing the entity's goals to determine whether they align with the entity's public purposes and mission, and strategies for execution to identify any risks and determine whether the strategies are safe and sound and align with the entity's risk management framework.⁴ A core part of a board's strategic responsibility for the health and prosperity of a company is to look into the future insofar as it can be done, to assess what risks may be approaching.

With the revision discussed above at II.B., the final rule otherwise adopts, as proposed, the provision on emerging risks and furthering the entity's public purposes and mission in a safe and sound manner.

G. The final rule during conservatorship

A commenter asked how conservatorship and 12 CFR part 1253 (Prior Approval for Enterprise Products) affects the final rule, how FHFA views the relationship between its conservatorship and regulatory obligations, and how its processes and decisions regarding activities and products are consistent with FHFA's role as conservator. A commenter suggested that FHFA issue guidance on how the final rule would apply to "significant activities" in light of 12 CFR part 1253.

FHFA Response:

As FHFA noted when it most recently adopted its corporate governance regulation, the regulation was not intended to address conservatorship matters. 80 FR 72327, 72328 (Nov. 19, 2015). Rather, the regulation was intended to address matters of corporate

⁴ A similar approach is taken by the OCC in its Guidelines, cited by Freddie Mac, establishing "heightened standards" for certain large insured financial institutions. Specifically, the OCC guidance provides that the strategic plan cover at a minimum a three-year period and contain "a comprehensive assessment of risks that currently have an impact on the covered bank or that could have an impact on the covered bank during the period covered by the strategic plan." 12 CFR part 30, App. D, sec. D.1.

practice and governance at the regulated entities, and was adopted consistent with FHFA's regulatory authority under the Safety and Soundness Act.

Separately, pursuant to its conservatorship authority, FHFA has provided for Enterprise boards to exercise the functions of management oversight that exist under applicable law and regulation, including FHFA's corporate governance regulation at 12 CFR part 1239. Although the Enterprises remain in conservatorship, their boards of directors have been operating under FHFA regulations, including most recently 12 CFR part 1239, that govern board members outside of conservatorship, except as modified by the conservator. Therefore, under this final rule, the board of directors at each Enterprise is required to adopt and have in effect a strategic business plan.

The Enterprise new activities process (12 CFR part 1253) and the final rule both reference "new activity." However, they use the term for different supervisory purposes. Part 1253 defines new activities inclusively to support determination of new products, while the final rule establishes strategic plan requirements involving "significant" new activities, which is a smaller subset of new activities. In addition, the Enterprise new activities process is separate from the strategic business plan process. For example, the Enterprise new activities process may result in the review and authorization of new activities that are not required to be addressed in the strategic business plan because the board does not determine them significant. Similarly, a strategic business plan may address significant activities that are not new activities.

The availability or denial of individual new activities may augment or limit a regulated entity's tools for meeting its chosen strategic goals. A strategic business plan could help identify significant activities on which the regulated entity plans to rely to

achieve its strategic goals. It could also help identify alternative strategies that may be safer and more effective, and to explain the role, relevance, and risks of significant activities that the regulated entity is planning to undertake.

However, FHFA decisions relating to new activities do not affect a board's *process* for developing and adopting a strategic business plan. Given that strategic planning and new activities processes operate separately, guidance explaining the connection between the two rules and processes is inappropriate at this time.

III. Final Rule

A. Overview

The final rule retains the general requirement for a strategic business plan to address activities the board determines significant. Clarifying revisions are made to specific provisions.

In addition, the final rule requires a strategic business plan to articulate measurable goals, address credit needs and market opportunities, describe significant activities being planned including significant changes in business strategy, be supported by appropriate and timely research, and identify current and emerging risks. It also requires a board to review the strategic business plan at least annually, re-adopt it at least once every three years, and establish reporting requirements for and monitor implementation of the strategic business plan. The final rule also repeals two outdated provisions that required Bank strategic business plans to include quantitative performance goals for Bank products related to multifamily housing and to community financial institution collateral, and that required related reporting. It also makes a conforming change to the Office of Finance Board of Directors regulation.

B. Section-by-section Analysis

§ 1239.14(a) – opening provision:

The final rule is revised to add “significant” to circumscribe the business activities that a strategic business plan is required to describe. Thus, a board of directors is required to adopt and have in effect at all times a strategic business plan that describes how the “significant” business activities of the regulated entity will achieve its mission and public purposes consistent with its authorizing statute, the Safety and Soundness Act, and, in the case of a Bank, 12 CFR part 1265. The focus of the requirement is on those business activities a board determines significant.

§ 1239.14(a)(1)(i):

The final rule deletes “operating” to provide that, in the case of a Bank, a strategic business plan is required to articulate measurable goals and objectives for each significant business activity and all authorized new business activities. As a result of the revision, the focus of the requirement is on measurable goals and objectives.

§ 1239.14(a)(1)(ii):

The final rule deletes “operating” and replaces “all” with “significant” to provide that, in the case of an Enterprise, a strategic business plan is required to articulate measurable goals and objectives for each significant existing activity and for significant authorized new activities. As a result of the revision, the focus of the requirement is on measurable goals and objectives for significant activities, both existing and new.

§ 1239.14(a)(2):

The final rule adopts paragraph 1239.14(a)(2) as proposed.

§ 1239.14(a)(3):

The final rule adds “significant” to provide that a strategic business plan is required to describe any significant activities in which the regulated entity is planning to be engaged, including any significant changes to business strategy or approach that the regulated entity is planning to undertake. As a result of the revision, the requirement to describe any significant activities in which the regulated entity is planning to be engaged includes significant changes to business strategy or approach that the entity is planning to undertake.

§ 1239.14(a)(4)(ii):

The final rule adopts § 1239.14(a)(4)(ii) as proposed.

§ 1239.14(a)(5):

The final rule deletes “including those” and adds “significant” to provide that a strategic business plan is required to identify current and emerging risks associated with the regulated entity’s significant existing activities or new activities, and to discuss how it plans to address such risks while furthering its public purposes and mission in a safe and sound manner. As a result of the revision, the focus of the requirement is on risks associated with the entity’s significant activities, existing or new.

§ 1239.14(b):

The final rule adopts § 1239.14(b)(1) and (2) as proposed and makes a conforming change to § 1239.14(b)(3) by deleting “operating” to provide that each board of directors establish management reporting requirements and monitor implementation of the strategic business plan and the goals and objectives contained therein.

§ 1273.8(d)(2):

Section 1273.8(d)(2) of the Office of Finance Board of Directors regulation makes a conforming change to update the reference from “§ 1239.31” to “§ 1239.14.” The amendment is adopted as proposed.

C. Consideration of Differences Between the Banks and the Enterprises

When promulgating regulations that relate to the Banks, section 1313(f) of the Safety and Soundness Act requires FHFA to consider the differences between the Banks and the Enterprises with respect to the Banks’ cooperative ownership structure, mission of providing liquidity to members, affordable housing and community development mission, capital structure, and joint and several liability. 12 U.S.C. 4513(f). FHFA has considered these areas of differences between the Banks and the Enterprises, and has determined that the final rule is unlikely to adversely affect the Banks in these areas of differences.

IV. Paperwork Reduction Act

The final rule does not contain any collections of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Therefore, FHFA has not submitted any information to the Office of Management and Budget for review.

V. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires an agency to analyze a regulation’s impact on small entities if the regulation is expected to have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b). FHFA has considered the impact of this final rule and the General Counsel of FHFA certifies that it is not likely to have a significant economic impact on a substantial number of small

entities because it applies only to the regulated entities, which are not small entities for purposes of the Regulatory Flexibility Act.

VI. Congressional Review Act

In accordance with the Congressional Review Act, FHFA has determined that this action is not a major rule and has verified this determination with the Office of Information and Regulatory Affairs of the Office of Management and Budget (OMB). *See* 5 U.S.C. 804(2).

List of Subjects

12 CFR Part 1239

Administrative practice and procedure, Federal home loan banks, Government-sponsored enterprises, Reporting and recordkeeping requirements.

12 CFR Part 1273

Federal home loan banks, Securities.

Accordingly, for reasons stated in the Supplementary Information, FHFA hereby amends parts 1239 and 1273 of chapter XII of title 12 of the Code of Federal Regulations as follows:

Subchapter B—Regulated Entities

PART 1239—[AMENDED]

1. The authority citation for part 1239 continues to read as follows:

Authority: 12 U.S.C. 1426, 1427, 1432(a), 1436(a), 1440, 4511(b), 4513(a), 4513(b), 4526, and 15 U.S.C. 780o(b).

2. Add § 1239.14 to subpart C to read as follows:

§ 1239.14 Strategic business plan.

(a) *Adoption of strategic business plan.* Each board of directors shall adopt and have in effect at all times a strategic business plan for the regulated entity that describes, at a minimum, how the significant business activities of the regulated entity will achieve its mission and public purposes consistent with its authorizing statute, the Safety and Soundness Act, and, in the case of a Bank, part 1265 of this chapter. Specifically, each regulated entity's strategic business plan shall at a minimum:

(1)(i) In the case of a Bank, articulate measurable goals and objectives for each significant business activity and for all authorized new business activities, which must include plans for maximizing activities that further the Bank's housing finance and community lending mission, consistent with part 1265 of this chapter;

(ii) In the case of an Enterprise, articulate measurable goals and objectives for each significant existing activity and for significant authorized new activities;

(2) Discuss how the regulated entity will address credit needs and market opportunities identified through ongoing market research and stakeholder consultations;

(3) Describe any significant activities in which the regulated entity is planning to be engaged, including any significant changes to business strategy or approach that the regulated entity is planning to undertake, and discuss how such activities would further the regulated entity's mission and public purposes;

(4)(i) In the case of a Bank, be supported by appropriate and timely research and analysis of relevant market developments and member and housing associate demand for Bank products and services;

(ii) In the case of an Enterprise, be supported by appropriate and timely research and analysis of relevant market developments; and

(5) Identify current and emerging risks associated with the regulated entity's significant existing activities or new activities, and discuss how the regulated entity plans to address such risks while furthering its public purposes and mission in a safe and sound manner.

(b) *Review and monitoring.* Each board of directors shall:

(1) Review the regulated entity's strategic business plan at least annually;

(2) Re-adopt the strategic business plan for the regulated entity at least every three years; and

(3) Establish management reporting requirements and monitor implementation of the strategic business plan and the goals and objectives contained therein.

§ 1239.31 [Removed and reserved]

3. Remove and reserve § 1239.31.

Subchapter D—Federal Home Loan Banks

PART 1273—[AMENDED]

4. The authority citation for part 1273 continues to read as follows:

Authority: 12 U.S.C. 1431, 1440, 4511(b), 4513, 4514(a), 4526(a).

§ 1273.8 [Amended]

5. Section 1273.8(d)(2) is amended by removing the reference to “§ 1239.31” and adding in its place “§ 1239.14.”

Melvin L. Watt,
Director, Federal Housing Finance Agency.
[FR Doc. 2018-22859 Filed: 10/18/2018 8:45 am; Publication Date: 10/19/2018] Dated: October 16, 2018.